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RUEHLI/AMEMBASSY LISBON 0895
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C O N F I D E N T I A L SECTION 01 OF 03 DILI 000182

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TAGS: [PGOV](#) [KDEM](#) [TT](#)
SUBJECT: FRETILIN UNDER FIRE FOR CAMPAIGN IRREGULARITIES

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REASON: 1.4 (b), (d)

¶1. (C) Summary: East Timor's ruling Fretilin party has come under increasing scrutiny in relation to allegations of illegal campaign activities in advance of the May 9 presidential runoff. While some are likely exaggerated for the purpose of campaign rhetoric, others appear to be much more solidly grounded. Of particular note is an April 28 incident in western district of Ermera in which International Stabilization Force (ISF) members discovered a cache of traditional weapons and bundles of cash apparently prepared for payoffs in a vehicle enroute to a campaign rally. More serious is the emergence in recent weeks of increasingly substantiated instances of illicit and politically motivated deliveries of government rice, for which the Minister of Labor and others are reported to be under current investigation. In addition, accusations of Fretilin supporters engaging in a mix of attempted vote buying, intimidation, and disinformation have become commonplace. Accusations that Fretilin uses intimidation, money politics, and state resources to secure political support have been long-standing, but clear evidence of the kind we are now seeing has been hard to obtain. That these are coming to light now may be due to the large international security presence making it harder to keep such activities below the radar screen. It could also be an indication that Fretilin is increasingly cognizant of its electoral vulnerability and beginning to take more desperate measures in a bid to reverse the trend. However, it should also be noted that opposition presidential candidate Prime Minister Jose Ramos-Horta is playing a prominent role in raising these issues and may be using his internal access to government information to highlight issues that paint Fretilin in a bad light. Post notes that despite such measures, Fretilin likely will find it more difficult to undermine the legitimacy of the elections. End summary.

Money intercepted

12. (C) Allegations of Fretilin misconduct have been a prominent feature in recent media reports. The top issue in local news last week was an incident in the western district of Ermera in which the ISF apparently stumbled upon an influence-peddling scheme. On the evening of April 28, ISF members operating a vehicular checkpoint in Ermera district stopped a vehicle en route to a Fretilin rally in Aifu. A large quantity of traditional weapons and one possibly improvised firearm were confiscated from the vehicle. Numerous rolls of money, totaling approximately \$5,000, with the names of several local area village chiefs were discovered and seized as well. Upon questioning, the driver freely admitted to ISF members that the money was to be used to bribe the local chiefs. Moments later, a known Fretilin militant leader named Antonio da Costa arrived on the scene and asked to take possession of the money, claiming that it was his and offering no further explanation. Shortly thereafter Minister of Justice Domingos Sarmiento, who was in the car directly preceding the vehicle in question, returned to the checkpoint and stated to ISF that he was to take possession of the money, and that it was to be used for "development projects" in Ermera. (Note: It is our understanding that Sarmiento has been mostly absent from his post over the last month while he campaigns for Fretilin presidential candidate Francisco "Lu'Olo" Guterres.) The money is currently being held as evidence of possible influence-peddling in relation to the May 9 presidential runoff election, and UN Police (UNPOL) has submitted cases against Sarmiento and Vice Interior Minister Jose Agostino "Somoco" Sequeira to the Prosecutor General for investigation.

13. (C) Fretilin Secretary General and ex-Prime Minister Mari Alkatiri contacted ISF Commander Brigadier Mal Rerden several times after the money seizure in an attempt to have it returned to Fretilin, but Rerden refused to discuss matter with Alkatiri

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since the latter no longer holds an official role in the State. Minister of State Administration Ana Pessoa, in a casual conversation at a reception a few days later during which there was no direct reference to the Ermera incident, remarked on the need for the government to employ unusual means to ensure decentralization of funds in light of the lack of nationwide electronic funds transfer capability. However, public statements by Fretilin later belied the initial claims by the Minister of Justice directly and Ana Pessoa indirectly that the money was for legitimate government distribution. Fretilin, in response, has gone on a public relations offensive. In a highly tense press conference on May 2, Fretilin members characterized the money as legitimate campaign funds that were being distributed to party representatives to fund legitimate local campaign activities. In light of this, they declared that they would bring defamation charges against both Prime Minister Jose Ramos-Horta and the local newspaper Suara Timor Lorosae in response to a press article the previous day.

Food for politics

14. (C) Perhaps more serious than the Ermera incident is the increasing evidence that rice distribution is being used toward political ends on a widespread basis. The most high profile example of this was a large supply of rice which was delivered to the leader of a Fretilin-affiliated martial arts group, and then distributed in the western district Qbonaro. The story of rice from the Ministry of Labor being delivered to the leader of the Korka martial arts group, which has been formally affiliated with Fretilin for several years, broke in the local media on April 23. Minister of Labor Arsenio Bano was quoted as explaining that the delivery was actually intended for the community in the Balibo area of Bobonaro district. However, most observers believe that he has not adequately explained why such a distribution needed to be carried out by Korka rather

than through normal distribution means. Moreover, while it has been confirmed that the rice did indeed go to Bobonaro district, the pattern of irregular storage, transport and distribution exhibited by the original transfer to Korka has reportedly continued. Additionally, ISF officials are reporting that more than four times the amount of rice that has been officially documented for transport to Bobonaro district has actually been shipped there by the Fretilin-dominated government. And there have been numerous credible allegations that the distribution has gone beyond the purely irregular and has in fact been carried out explicitly to support Fretilin campaigning.

15. (C) The investigation into the Korka rice distribution indicates a possibly more widespread practice of utilizing rice distribution for votes, as well as illegal selling of rice for profit. In addition to the Korka / Bobonaro case, there are a number of other allegations surfacing regarding the political use of rice deliveries, and it appears that the Korka case may simply be the most prominent at the moment. For example, the police chief in Viqueque, Gaspar Soares, who is overtly pro-Fretilin and is under investigation for his alleged involvement in an attack on Ramos-Horta supporters, is also alleged to be involved in rice distribution to party supporters. The use of government rice as a campaign tool has also been reported in Dili, where one Embassy staff member confirmed these activities in his own neighborhood, in which community members were required to show their voter identification cards in order to receive rice handouts.

16. (C) Overall, there appears now to be a network of rice distribution that has been established without any involvement of or consultation with the humanitarian community or the UN. The UN and humanitarian organizations have expressed concern about this development, noting that the rice being distributed in Bobonaro was marked as humanitarian. Some in the World Food Program and in other humanitarian relief organizations are worried that the distribution could be thus linked to them, and have expressed concerns that this may pose negative long-term security implications for them in light of the potential volatility of food security issues. The UN's Joint Mission Analysis Center (JMAC) is currently carrying out an internal

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investigation regarding the scale and nature of this illicit rice distribution. It is possible that UNPOL also may have referred cases to the Prosecutor General, although this is not yet confirmed.

17. (C) Comment: The Ermera and rice controversies are occurring against a backdrop of multiplying reports of Fretilin supporters engaging in a mix of attempted vote buying, intimidation, and disinformation. Accusations that Fretilin uses intimidation, money politics, and state resources to secure political support have been long-standing, but clear evidence of the kind we are now seeing is typically hard to come by. That these are coming to light now at least in part may, be due to the large international security presence making it harder to keep such activities below the radar screen. It could also be an indication that Fretilin is increasingly cognizant of its electoral vulnerability and is beginning to take more desperate measures in a bid to reverse the trend. It should also be noted that opposition presidential candidate Prime Minister Jose Ramos-Horta is playing a prominent role in raising these issues and may be using his internal access to government information to highlight issues that paint Fretilin in a bad light. Certainly he has been one of the main voices bringing these issues into public view. Nonetheless, the activities being uncovered cannot be dismissed as pure campaign rhetoric. Post notes that despite such measures, Fretilin is finding it more difficult to undermine the legitimacy of the elections. Although not perfect, the electoral systems in place and the transparency of the process remain strong. Additionally, the Timorese electorate has demonstrated a consistent ability to vote its conscience regardless of pressures. End comment.
NAGY